



**JERRY SANDERS**  
MAYOR

March 7, 2011

John V. Foley, Chair  
Metropolitan Water District  
P.O. Box 54153  
Los Angeles, CA 90054-0153

Re: Metropolitan Water District (MWD) – Executive Management Spending

Dear Chairman Foley,

I write to express my strong opposition to the current practice at MWD related to executive staff travel and expenses reimbursements. At a time when our customers are already facing an uncertain economic future and higher costs for water, the management continues to act as though they wield an unlimited credit card. Those funds are derived from ratepayers and as such deserve to be protected with vigor.

The City of San Diego (City) is a net importer of water and as such continues to rely on MWD for a significant proportion of its water supply. For fiscal year 2011, the City's budgeted expenses for imported water were \$187 million, or approximately 35% of the water department's budget. Any increase in costs, or excessive costs at MWD translates into a proportionate share of the cost for San Diegans. It makes me increasingly concerned that the lesson I thought learned by management in September 2009 when they proposed an irresponsible pension increase, has in fact not been.

The manner in which the staff has used their reimbursement requires the Board take immediate action to reform MWD's travel and reimbursement policies for ALL employees. I am recommending the Board adopt a comprehensive policy addressing the parameters of a travel and expense reimbursement program consistent with those of the federal government.


The City undertook such a project itself and now follows the U.S. General Services Administration rules regarding meal and incidentals as well as lodging and the system works well. GSA's guidelines still provide the flexibility necessary to conduct business, while providing the public the assurance that expenses are reasonable and contained.

As you are certainly aware, MWD's credibility is seriously being questioned, at least in the San Diego Region. I believe this is not the time to provide cover for egregious behavior of the

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executive staff, but rather instill some permanent policies that contain these excesses because ultimately it is the ratepayer who suffers with higher utility bills.

Sincerely,



JERRY SANDERS  
Mayor

cc: Metropolitan Water District Board of Directors  
Jeffrey Kightlinger, General Manager  
San Diego City Council Members  
Jay M. Goldstone, San Diego Chief Operating Officer  
Fern Steiner, MWD Board Member  
Lynne, Heidel, MWD Board Member